

Washington, D.C. - Saying that an effective economic stimulus package must boost both consumer spending and job growth, Congresswoman Melissa Bean called on leadership to quickly include her GROW Act to provide incentives to boost hiring.

“Quick passage of this measure would allow businesses across the country to increase job growth and investment,” Bean said. “My cosponsors and I urge inclusion of these provisions in a stimulus plan that will strengthen the economic health of our businesses, our nation and the families we represent.”

The GROW (Giving Resources and Opportunities to the Workforce) Act does two things. It expands the net-operating loss (NOL) carryback provision, and it doubles the Section 179 small business expense tax deduction.

The bill was introduced Wednesday by Congresswoman Bean along with Congressmen Paul Hodes (NH-02), John Yarmuth (KY-03), Zack Space (OH-18) and Kirsten Gillibrand (NY-20).

Under present law, businesses with a net-operating loss this year may amend their tax filings to carry that loss back two years to offset taxable income in such years. These rules are designed to allow businesses to “smooth out” swings in business income that result from unexpected financial losses by providing necessary cash flow to boost capital expenditures. The GROW proposal would expand the carry back to five years so that previously profitable entities, now experiencing a downturn, will be able to maintain their staffing levels and invest more.

The Section 179 deduction allows small business owners to write off expenses immediately instead of depreciating these expenses over many years. Current law allows for a write-off up to \$125,000, our proposal would double that to \$250,000. Again, this encourages business to invest immediately, which is in accordance with the timely, targeted and temporary goals that economists and Congressional leaders are seeking.

Congresswoman Bean spoke of a business owner in Illinois’ Eighth District, Chris Dahm, who has run a trucking company for 28 years. He put his expansion plans on hold and reduced the hours of some of his drivers because of concerns over the weakening economy.

The provisions proposed in the GROW Act would make a difference to his business, Dahm said. If the incentives were passed, he would buy at least three new trailers and add five drivers and an office worker.

“If something like this came out,” Dahm said, “I’d go full speed.”

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